HON'BLE SHRI G.S.SINGHVI, THE CHIEF JUSTICE

W.P.No.11780 of 1996

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Between:

M/s. Ramappa Chit Fund (P) Ltd.,

Hanumakonda, Warangal District,

Represented by its Managing Director,

Sri M.Raja Ram, S/o.Veeraiah

And 17 others.

..... Petitioners

AND

The State of Andhra Pradesh, represented by its

Principal Secretary to Government,

Revenue Department, Secretariat, Hyderabad

and others.

.....Respondents

::ORDER::

Counsel for the Petitioner : Sri T. Suryakaran Reddy

Counsel for Respondent Nos.1 to 4: G.P. for Revenue

Dated 19/04/2006

In this petition, the petitioners have made the following substantive prayers.

a. To issue an order or direction, more in the nature of Writ of Mandamus, forbearing the respondents from insisting the Foreman of the petitioners – Chit Fund companies to make security deposits under Section 12 of the A.P. Chit Fund Act by way of N.S.S. Certificates only as contemplated in Circular Memo. No.CF/36062/95, dated 16.12.1995 issued by the 2nd respondent and further directing the respondents to accept the Security Deposit to be made by the Foreman of the petitioners-chit fund companies by any of the method including F.D.Rs in Banks, as contemplated under Section 12 of the A.P. Chit Fund Act, 1971, if necessary by holding that the

above stated orders issued by the 2nd and 3rd respondents are illegal, arbitrary, and unconstitutional;

b. To direct the respondents herein, to accept the security deposits to be made by the Foreman of the petitioners-chit fund companies by any of the methods including the F.D.Rs. in the Banks, as contemplated under Section 12 of the A.P. Chit Fund Act, 1971 without referring to the Circular Memo.No.CF/36062/95, dt. 16.12.1995 issued by the 2nd respondent and consequential orders in Endt.No.G2/3057/95, dt. 28.12.1995 issued by the 3rd respondent, pending the disposal of the above writ petition, as otherwise, we will be put to serious loss and great hardship."

The petitioners also prayed for grant of interim relief in similar terms.

A perusal of the record shows that while admitting the writ petition on 21.6.1996 the court passed interim order in terms of the prayer made by the petitioners and in furtherance of that order, the petitioner continued to submit security deposit in terms of Section 12 of the Andhra Pradesh Chit Fund Act, 1971.

I have heard learned counsel for the parties.

In my opinion, the interim order passed by the Court had the effect of virtually allowing the writ petition. Therefore, no further order is required to be passed in the main writ petition, which is disposed of as infructuous.

However, liberty is given to the petitioners to avail appropriate legal remedy before this Court or elsewhere, if any punitive action is taken against them for the avowed violation of the provisions of Section 12 of the Andhra Pradesh Chit Fund Act, 1971 or the guidelines/order/circular issued by the State Government.

G.S.SINGHVI, CJ

Dt.19/4/2006

msv/vtv